

not be diminished save as provided in this article. *Peninsula Trust Co. v. Johnson*, 128 Md. 539.

As to the calling in and cancellation of the stock of an insurance, safe deposit or fidelity company, see sec. 149.

See sec. 82.

See notes to secs. 43 and 403.

Reductions of Issued Capital Stock.

An. Code, 1924, sec. 32. 1912, sec. 28. 1904, sec. 87. 1888, sec. 79. 1870, ch. 310. 1908, ch. 240, sec. 28. 1916, ch. 596, sec. 28. 1931, ch. 480, sec. 32. 1937, ch. 504, sec. 32 (p. 1061). 1939, ch. 664, sec. 32.

32. Every corporation of this State, heretofore or hereafter incorporated, may from time to time reduce the amount of its issued capital stock in the following manner and subject to the following provisions:

(1) If such reduction is to be made without changing the wording of the charter, it shall be advised by the board of directors and authorized by the stockholders in the manner and by the vote required for the adoption of an amendment to the charter, except that the board of directors, without a vote of the stockholders, may authorize a reduction which is to be effected by retiring shares held by the corporation. Articles of reduction setting forth such reduction and stating that the same has been advised by the board of directors and authorized by the stockholders, or authorized by the board of directors as the case may be, shall be executed, acknowledged, verified and recorded in the manner, including payment of the same recording fees, prescribed with respect to articles of amendment.

(2) The articles of reduction shall set forth: (a) the method of effecting the reduction; (b) the amount of issued capital stock prior to the reduction and, if divided by classes, the amount of each class; (c) the amount of the reduction of the issued capital stock, and, if the amount of issued capital stock is divided by classes, the amount of the reduction of each class; and (d) the amount of issued capital stock as reduced and, if the amount of issued capital stock is divided by classes, the amount of each class as reduced. In the case of stock without par value, the issued amounts to be set forth shall be as determined in accordance with the provisions of paragraph (2) of Section 43, adjusted to accord with any increases or reductions made subsequent to the issuance of such stock.

(3) When the articles of reduction, for which provision is hereinbefore made, have been delivered to the State Tax Commission with the recording fees, for which provision is hereinbefore made, the reduction made thereby shall take effect, and not before. A duly certified copy of such articles of reduction from the records of the State Tax Commission or the Circuit or Superior Court shall be evidence of the reduction made thereby. The recording by the State Tax Commission of the articles of reduction shall be conclusive evidence of the payment of the recording fees required by law to be paid to it, except in a direct proceeding by the State.

(4) If such reduction is to be made by changing the wording of the charter, it shall be made by amendment, except that, in lieu of articles of amendment, articles of amendment and reduction, setting forth the matters required to be set forth in articles of amendment and articles of reduction, shall be executed, acknowledged, verified and recorded, including payment of the same recording fees, prescribed with respect to articles of amendment, and with the effect of articles of amendment and articles of reduction.

(5) Any shares of stock retired by reduction of the issued amount of capital stock shall thereafter have the status of authorized but unissued capital stock of the corporation and, until the classification thereof shall